



Personal Property

Assessments and Deductions

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Today's Class Will Cover:

- Personal Property Basics
- March 1, 2009 Assessments
- RV & Truck Camper Excise Tax
- Investment Deduction (Form PPID)
- Tax Abatement (Form 103-ERA)



Personal Property Resources

- Assessor's Operations Manual
- Regulation 16 or 50 IAC 4.2
- Field Representative
- DLGF Web Page



Assessor's Operations Manual

- Contains information concerning all aspects of assessor's duties including:
 - Common Terms
 - Explanation of Forms and Records
 - Assessment of Mobile Homes, Real, Personal and Distributable Property
 - Equalization
 - Appeals
 - Exemptions and Deductions



50 IAC 4.2

- First effective March 1, 1989
- Being amended for March 1, 2009
- A.K.A the “Personal Property Manual” or Regulation 16
- Contains the rules and regulations for the assessment of tangible personal property



DLGF Field Representative

- Field Reps visit counties and are accessible by telephone and e-mail.
- Schedule appointment with your Field Rep to discuss any questions or fax them the return and discuss it over the telephone.
- A list with the Field Rep assigned to your county can be found on the DLGF Web page,
http://www.in.gov/dlgf/files/Assessment_Field_Repsby_County.pdf



DLGF Web Page

- www.in.gov/dlgf
- Provides instant access to:
 - DLGF publications
 - Memos
 - Tax rates
 - Forms
 - Contact information for local officials
 - And MORE!



General Concepts



General Concepts

- Self Assessment System
- Personal Property Defined
- Commonly Used Forms



Self Assessment System

- Taxpayer is responsible for reporting assessment.
- Assessors do not have the authority to file a return for the taxpayer; however, the Assessor can assist the taxpayer.
- Taxpayer MUST sign return



Personal Property Defined

50 IAC 4.2-1-1(i)

- (i) “Depreciable personal property” means all tangible personal property that is used in a trade or business, used for the production of income, or held as an investment that should be or is subject to depreciation for federal income tax purposes. In general, personal property will be deemed to become depreciable property when a depreciation deduction is allowable for federal income tax purposes.



Federal Definition of Depreciable Assets

- “Depreciation may not be claimed until the property is placed in service for either production income or use in a trade or business. Depreciation of an asset ends when the asset is retired from service by sale, exchange, abandonment or destruction.”
- US Master Depreciation Guide, Chapter 3



Real vs. Personal Property

- The determination of whether an asset is to be assessed as real or personal property, or as an intangible asset or is subject to excise tax is an important aspect of verifying the correctness of a return.



Real vs. Personal Property

- “Regulation 16,
Rule 4” – Section 10
– (50 IAC 5.2-4-10)
- “2002 Real Property
Guidelines”
– Chapter 1, Table 1-1





Real vs. Personal Property Examples

- Boilers:
 - Manufacturing process – Personal
 - Building service – Real
- Foundations for machinery & equipment – Personal
- Gas lines for equipment or processing – Personal



Real versus Personal Property

Examples (cont'd)

- Lighting:
 - Yard – Personal
 - Special purpose, inside – Personal
- Piping used in a process – Personal
- Pits for equipment or processing
 - Personal
- Power lines and auxiliary equipment
 - Personal



Inventory Is Now Exempt

- During the 2008 legislative session, bills were passed that exempted inventory from taxation. This replaced the 100% Inventory Deduction, which required inventory to be reported.
- Our personal property forms for the assessment date of March 1, 2009 will be changed to reflect the new laws.



Inventory Defined

IC 6-1.1-3-11(a)

- Materials held for processing or for use in production
- Finished or partially finished goods of a manufacturer or processor
- Property held for sale in the ordinary course of business



Inventory

- Assessors will need to verify that taxpayers are not attempting to reclassify their depreciable assets as inventory in order to obtain the inventory exemption.
- This might be accomplished by comparing the current return to the prior year's return.
- Use a Form 113/PP to challenge



Filing Requirements

- Anyone who owns, controls or possesses personal property with a tax situs within the state must file a return.
- Tax Situs – the actual or assumed location of a property for assessment and taxation purposes*

*Property Assessment Valuation, 2nd edition, IAAO



Common Personal Property Forms

- Form 101 (eliminated 3/1/09)
- Form 102
- Form 103 Long & Short
- Form 104
- Supplemental Forms
- Forms available on DLGF Web page,
<http://www.in.gov/icpr/webfile/formsdiv/2544.htm>



Elimination of Form 101

- Effective January 1, 2009
- Property formerly assessed as personal property either will be subject to excise tax or will be free from taxation in the State of Indiana.
- Note: We will cover the RV & Truck Camper Excise Tax in detail later.



Supplemental Forms

- Examples:
 - Form 103 ERA
 - Form 103 EL
 - Form PPID-1
 - Form 103-N
 - Form 103-T
 - Form 103-P



FORM 103-N & Form 103-O

- IC 6-1.1-2-4
- The owner of any tangible property on assessment date is liable for taxes.
- A person owning , holding , possessing, or controlling any tangible property is liable for taxes unless they establish the property is being assessed in the name of owner.



OPERATING LEASES

- Operating leases remain the property of the leasing company at end of the lease
- Lessee (Possessor) Must File Form 103 - N Schedule 1
- Leaser (Owner) Must File Form 103 - O Schedule 1



CAPITAL LEASES

- Lease contains a purchase option and title can transfer at end of lease.
- Lessee (Possessor) Must File Form 103 - N Schedule 2
- Leaser (Owner) Must File Form 103 - O Schedule 2



Assessor Duties

- Supply Forms
- Review Returns & Verify Accuracy
- Notify Taxpayer of Changes in Assessment on Form 113/PP
- Pick Up Omitted and Undervalued Assessments



Filing Extension

IC 6-1.1-3-7

- Township Assessor, if applicable, MAY grant up to a 30 day extension to file a return (up to June 14)
- Taxpayer must provide a written request for extension on or before May 15 to the Assessor



Filing Extension

- The Assessor must provide a written response granting or denying the taxpayer's request.
- If denying the request, do not delay in notifying the taxpayer.



Omitted & Undervalued Assessments

- The Assessor shall examine and verify the accuracy of each personal property return to ensure that no property has been omitted or undervalued.

IC 6-1.1-3-14



Omitted & Undervalued Assessments

- Upon discovery, the assessing official shall assess the omitted or undervalued personal property to the person owning, holding, possessing, or controlling that property.



Omitted & Undervalued Assessments

- The assessing official also MUST give the taxpayer written notice of the change and a statement of the taxpayer's right to appeal by use of the Form 113/PP



Penalties

- Return Not Filed by May 15
(up to June 14 with extension)
 - Penalty = \$ 25
- Return over 30 days late
 - Penalty = \$25 + 20% of taxes due
- Assessor CANNOT waive penalties



Timetable

- The taxpayer files a return by May 15 or the extended due date.
- Township or County Assessor has until September 15 or 4 months from the extended due date to make any changes to the assessment.



Timetable

- The County Board of Appeals has until October 30 or 5 months from the due date to change an assessment.
- Taxpayer has until November 15 or 6 months from the extended due date to amend the return.



Timetable

- IC 6-1.1-9-3 allows an assessor to make a change to an assessment within three years after the return is filed; however, it requires a full and complete audit of the taxpayer's books in order to determine if compliance guidelines are met.



IC 6-1.1-16-1

- If the assessing official fails to change an assessment within the time prescribed, the assessed value claimed by the taxpayer is final.



Amended Returns

- IC 6-1.1-3-7.5
- The return is filed by the taxpayer.
- The taxpayer files an amended return by writing AMENDED on top of the return.



Amended Return Deadlines

- November 15, if no extension is granted
- December 14 or 6 months from original return due date, if extension granted



Amended Returns

- Taxpayer may claim any deduction or exemption that could have been claimed on the original return
- Taxpayer may only amend the original return one time. You cannot amend an amended return.



Original Return Filed

- Original personal property return is the personal property tax return filed with the proper assessing official by May 15, or if an extension is granted, the extended filing date.



Amended Returns

- A timely filed, amended return becomes the taxpayer's assessment of record. The assessor has four months from date that the amended return was filed to change the amended assessment and notify the taxpayer on a Form 113/PP.



RV & Truck Camper Excise Tax

- New excise tax created by the General Assembly in 2008
- Paid to the Bureau of Motor Vehicles (BMV) beginning in 2010
- Form 101 is no longer needed



RV & Truck Camper Excise Tax

- Recreational Vehicle (RV) Defined
- “A vehicle with or without motive power equipped exclusively for living quarters for persons traveling upon the highways.”
- IC 6-6-5.1-6; IC 9-13-2-150(a)



RV & Truck Camper Excise Tax

- Truck Camper Defined
- “A device without motive power that is installed in the bed of a truck to provide living quarters for persons traveling on public highways.”
- IC 6-6-5.1-8



RV & Truck Camper Excise Tax

- Effective on January 1, 2009
- RVs and truck campers will not be assessed as personal property on the March 1, 2009 assessment date payable in 2010.
- Pay excise tax beginning in 2010.



RV & Truck Camper Excise Tax

- County auditors and assessing officials will be required to provide the BMV with the information from personal property tax returns to implement this new law on a form prescribed by them.



RV & Truck Camper Excise Tax

Question:

Has anyone studied the amount of excise tax that will be collected compared to the amount of property tax paid?

Answer:

Yes, the BMV has studied it, and it varies from year, make & model. However in most examples given, the excise tax collected was less than the property tax paid. Of course, that would vary from taxing district to taxing district.



RV's & Indiana Campgrounds

- Excise tax only will be collected when a resident of the State of Indiana purchases his license plate
- Non-residents with year-round campers in an Indiana campground will not be subject to this excise tax.



RV's & Indiana Campgrounds

Question:

Concerning the year-round RV in a campground, which is owned by an Indiana resident who has built decks & other structures around it so that it can never be moved. If it can't be moved and requires no license plate, how will taxes be collected?

Answer:

The BMV has traditionally collected back taxes in these circumstances on similar situations when title transfers or the owner purchases a license plate in order to relocate the RV.



RV's & Indiana Campgrounds

Question:

Concerning the decks built around these year-round RV's located at a campgrounds, how will we assess the decks, sheds & other structures?

Answer:

As real property to the owner of the land.



Personal Property Tax Abatements



IC 6-1.1-12.1-5.4

- Gives authority for approval of the ERA Personal Property Abatements to the Township or the County Assessor.



Beginning March 1, 2006

- The township assessor or the county assessor shall:
 - (1) review the deduction schedule and
 - (2) approve before the March 1 that next succeeds the assessment date for which the deduction is claimed



Beginning March 1, 2006

- Prior to March 1, 2006, the County Auditor approved the abatement deductions.
- Now the taxpayer files a Form 103-ERA, which is attached to the Form 103- Long each year.



IC 6-1.1-12.1-5.4

- A person that desires to obtain the deduction must file a certified deduction schedule (Form 103-ERA) with the person's personal property return on a form prescribed by the Department of Local Government Finance with the township assessor of the township in which the new equipment, is located.



Basic Definitions

- Personal property abatement
 - A property tax deduction from assessed valuation granted by a designating body for the installation of new abatable equipment in an ERA.



Basic Definitions

- Economic Revitalization Area (ERA)
 - An area that is within the corporate limits of a city, town, or county that has become undesirable for, or impossible of, normal development and occupancy.
- Assessment Year
 - From March 2 to March 1 of proceeding year
 - The 2009 assessment year is the 2009 pay 2010 year.



Basic Definitions

- Designating body
 - Also called a “governing body”
 - For a county without a consolidated city, the designating body is the fiscal body of the city, county, or town. For a consolidated city, the designating body is the metropolitan redevelopment commission.



Acquiring Personal Property Abatements

- Designating body can designate an ERA on its own or upon application of a property owner.
- If designating body works on its own, no Statement of Benefits (SB-1/PP) is necessary for a preliminary designation.
- If the property owner asks for an ERA designation, a Form SB-1/PP must be filed.



Acquiring Personal Property Abatements

Establish geographical area by:

- Designating body makes a determination.
 - Prepares maps and plats that identify the area.
 - Prepares a simplified description of property boundaries.
 - Passes a preliminary resolution.
- After approving a preliminary resolution, designating body publishes a notice of adoption and substance of resolution.



Acquiring Personal Property Abatements

- The designating bodies' final action is to determine whether the qualifications for an ERA are met and to confirm, modify or rescind the preliminary resolution.
- If confirmed, a confirmatory resolution is passed.



Timetable for PP Review

- Receipt of tax return and supporting schedules by May 15 or the extended due date.
- The township or county assessor has until September 15 or 4 months from the extended due date to review the tax return .



Timetable for PP Review

- County Board of Appeals has until October 30 or 5 months to review the return.
- Taxpayer has until November 15 or 6 months from the extended due date to amend the return.



IC 6-1.1-12.1-5.4(e)

For Abatements:

- The assessing official may review the deduction schedule and has until the next February 28 to deny or alter.
- However, it is recommended to use the four and five month deadlines. Waiting until February 28 could cause problems with tax rates and shortfalls.



IC 6-1.1-16-1

- If the assessing official fails to change an assessment within the time prescribed, the assessed value claimed by the taxpayer is final.



Filing Requirements on Tax Abatements

Filing Requirement Basics



Statement of Benefits – Personal Property (Form SB-1/PP)

- The form on which the property owner submits information regarding the installation of new manufacturing, research and development, logistical distribution, or information technology equipment to the designating body.
- This form may be incorporated into the designation application.



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd)

- The Form SB-1/PP provides information on the proposed project and is an estimate of costs, jobs created, etc. This is done before the project begins.
- A taxpayer could have multiple Form SB-1/PP's which could cover several assessment dates.



Statement of Benefits – Personal Property (Form SB-1/PP) (cont'd)

- The taxpayer must attach an approved copy of Form SB-1/PP to his personal property return.
 - Page 1 is signed by the taxpayer.
 - Page 2 is completed by the designating body. It sets the limits and guidelines for the abatement.



Compliance with Statement of Benefits (Form CF-1/PP)

- Form CF-1/PP must be filed with the designating body and the assessor of the township where the equipment resides each year a personal property abatement deduction is requested.
- Must be filed between March 1 and May 15 or the approved extension date.



Compliance with Statement of Benefits (Form CF-1/PP)

- Compliance information for multiple projects may be consolidated on one Form CF-1/PP with approval of the designating body.
- The taxpayer attaches an approved copy of Form CF-1/PP to his return.
 - Page 1 is signed by taxpayer.
 - Page 2 is completed by the designating body.
(Is the taxpayer in compliance?)



Compliance with Statement of Benefits (Form CF-1/PP)

- The difference between the Form SB-1/PP and the Form CF-1/PP is that one is an estimate of the project before it begins and the other is a recap of the actual information after the project has been completed.



Resolution

- According to IC 6-1.1-12.1-2.5, the resolution declares an area as an economic revitalization area.
- The resolution specifies the abatement schedule.
- The resolution could contain an expiration date when the designation ceases to exist or other limitations or conditions.



50 IAC 10-1-3

- “New Manufacturing Equipment” defined
 - (a) “New manufacturing equipment” has the meaning set forth in IC 6-1.1-12.1-1(3). In order to be new manufacturing equipment, personal property must be qualified machinery and equipment as defined in section 6 of this rule.
 - (b) New manufacturing equipment includes new equipment and used equipment brought into Indiana from outside of Indiana.



50 IAC 10-1-2

- “Installed” defined
 - Section 2(a) “Installed” means that personal property:
 - (1) has been completely assembled;
 - (2) is completely functional for the purpose for which it was acquired; and
 - (3) is placed in service.



50 IAC 10-1-2 (cont'd)

- “Installed” defined
 - Section 2(b):
 - When different pieces of personal property that are linked together as part of an integrated production process, personal property will not be considered installed until the integrated production process is completely functional and is placed in service.



50 IAC 10-1-6

- “Qualified machinery and equipment” defined
 - Section 6(a):
 - Direct Production of
 - Manufacturing of
 - Fabricating of
 - Assembly of
 - Extracting of



50 IAC 10-1-6 (cont'd)

- “Qualified machinery and equipment” defined
 - Section 6(a):
 - Mining of
 - Processing of
 - Refining of
 - Finishing of other tangible personal property



50 IAC 10-1-6 (cont'd)

- “Qualified machinery and equipment” defined
 - Personal property will be qualifying machinery and equipment when it is used within the process that chronologically begins with:
 - Material handling equipment that carries the raw material from it's on-site storage location to the first production step



50 IAC 10-1-6 (cont'd)

- “Qualified machinery and equipment” defined
 - Ends with the material handling equipment that carries or moves the finished product from its final machine or production step to the in-plant finished good storage site.
 - Example: Fork Lift moves material from the production line to the finished goods warehouse.



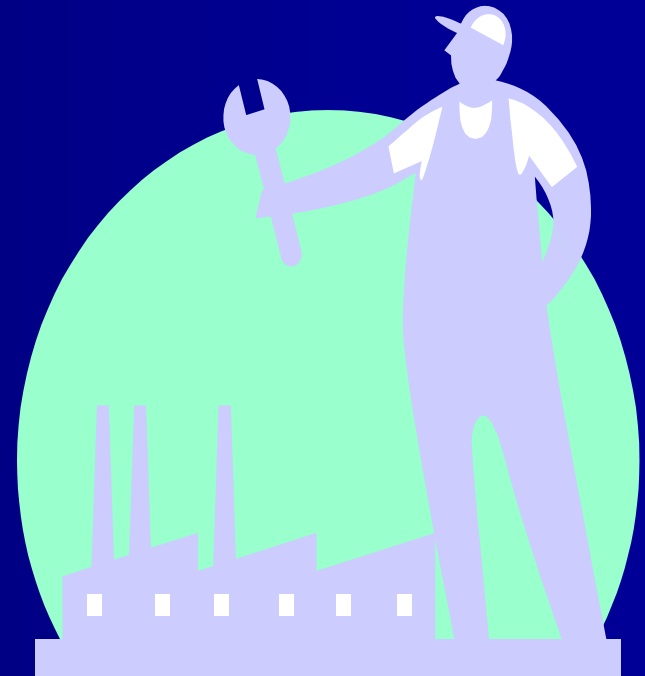
Qualifying/Abatable Equipment

- A) Manufacturing
- B) Research & Development
- C) Information Technology
- D) Logistical Distribution



Manufacturing

- Manufacturing Equipment including all installation costs such as foundations, water lines, power wiring, and air lines.





Other Assets that are NOT Abatable Manufacturing Equipment

- Pollution Control Equipment
- Office Equipment
- Building Wiring



Equipment List (Form 103 EL)

- The list should be itemized and contain installation dates and cost.
- An equipment list is only needed for equipment installed since the last assessment date.



Form 103-ERA

- Schedule of Deduction from Assessed Valuation
- Required to be filed each year a deduction is desired even if no new abatable equipment is installed in that assessment year.
- Form must be filed with the Assessing Official of the county in which the abatable equipment is located.



Confidential information

- IC 6-1.1-35-9 affects:
 - All assessing officials, employees, and anyone under contract to any assessing official
 - All information that is related to earnings, income, profits, losses, or expenditures
- Confidential information; disclosure will result in loss of job.
- What's public information? A/V



Supplements to Form 103-Long

- Any supplemental information or forms attached to Form 103-Long that support the return are subject to same confidential standard as that for Form 103-Long.



Maintenance of Records

- County Auditor shall maintain real property abatement records.
- The Assessing Officials are responsible for the maintenance of the personal property abatement records. IC 6-1.1-3-21



Assessor's Duty: Verification of the Abatement Calculation



IC 6-1.1-3-14

- The township or county assessor shall examine and verify the accuracy of personal property tax returns.



IC 6-1.1-12.1-5.4

- The Assessor may approve, deny or alter the amount of the deduction.
- The Assessor shall notify the taxpayer of any changes made in the deduction amount on Form 113/PP.



Incomplete Filing

- What if the filing is not complete? For example, what if the Statement of Benefits is missing?
- The Assessor can send a request for information giving 10 days to provide it or the assessor can deny the claim and send a Form 113/PP.



Late Filing

- IC 6-1.1-12.1-5.4 states the taxpayer must file a certified deduction schedule with a timely personal property return if they wish to receive an abatement.
- A return filed late which includes a Form 103-ERA should have the deduction denied.



Abatement Fee

- Authority to impose fee given to any designating body within the State of Indiana who has the power to grant an abatement.
- The amount of the fee is set by the designating body and the property owner.
- The fee is calculated by the County Auditor and paid to the County Treasurer.



Waiver of Noncompliance

- If the designating body wishes to waive non-compliance, they shall conduct a public hearing and then may adopt a resolution.
- IC 6-1.1-12.1-11.3



Waiver of Noncompliance

- IC 6-1.1-12.1-11.3 covers:
- Failure to submit Form SB-1 to designating body before hearing.
- Failure to submit Form SB-1 to designating body before project begins.
- Failure to designate ERA zone before project begins.



Waiver of Noncompliance

- IC 6-1.1-12.1-11.3 covers:
- Failure to make the required findings of fact before designating the area.
- Failure to file a timely application.
- Failure to file a complete application.
- It does not give the designating body the authority to grant abatements on assets that don't qualify.



Frequently Asked Question

Question:

If the taxpayer fails to claim an abatement for the first three years of the ten year abatement cycle, could we begin the first year of the abatement cycle in the equipment's fourth year?

Answer:

No, the tax abatement cycle begins when the equipment is installed and ready for use. In this example, the taxpayer can claim the abatement in the fourth year of the ten year cycle or request a waiver of non-compliance from the designating body for the past unclaimed deductions.



Statement of Benefits – Personal Property (Form SB-1/PP)

- Verify the length of the ERA designation.
- Note if there is a limit on the amount of the abatement.
 - A limit is set by the designating body.
 - It is a cap on the amount of qualifying abatable equipment the taxpayer can install and still receive a deduction from assessed value.



Resolution

- Determine the expiration date of the ERA designation, if any.
 - The designation is the window of opportunity in which a company can install new abatable equipment.



Resolution (cont'd)

- Establish the abatement schedule, including the number of years (1 through 10) for the deduction.
 - The abatement schedule is the number of years in which there is a deduction from assessed value.
- Depending on when Form SB-1/PP was approved, the schedule could be anywhere between 1 and 10 years.



Equipment List (Form 103-EL)

- Verify if all of the equipment listed qualifies for a personal property abatement.
- Deduct any questionable or non-qualifying equipment from the list.
- Any changes to the assessment require notification to the taxpayer on a Form 113/PP.
- IC 6-1.1.3-20



Reviewing An Abatement

- So to summarize the process to review a timely filed personal property return with a Form 103-ERA attached...



Step 1

- Verify the cost claimed on the Form 103-ERA against the cost on the Form 103-Long's pooling schedule.
- How can they claim a deduction on equipment that they don't report for taxation?



Step 2

- Verify to see if the correct True Tax Value (TTV) percentage has been used on the Form 103-ERA.
- The most common mistake that assessors are making in this step is disallowing a calculation made by the taxpayer concerning the 30 percent floor & the minimum value ratio. (Discussed in detail later.)



Step 3

- Verify newly installed abatement equipment since the last assessment date. Does it qualify?
- This is done by reviewing:
 - Form SB-1's
 - Form 103-EL (Equipment List)



Step 4

- Verify the prior year's abatements, if necessary.
- Each year stands alone so past mistakes can be corrected.



Step 5

- Verify to see if the correct abatement percentage has been used on the Form 103-ERA.
- The total assessed value before deductions will be reported to the County Auditor.
- The County Auditor then applies the deduction.



Minimum Value Ratio (MVR)

- In 2006, our General Assembly passed Senate Enrolled Act 260.
- A section of this legislation contained language which created a “minimum value ratio” (MVR) calculation.
- In May of 2006, our agency released a memorandum which explains how to make this calculation. This memo is available on our web site.



Minimum Value Ratio (MVR)

- Taxpayers subject to 30% floor on their tax return should use a modified calculation for their abatement (& Investment Deductions)
- The MVR is applied to equipment installed for the March 1, 2002 assessment date and after.



Minimum Value Ratio (MVR)

- The MVR does not apply to equipment installed prior to March 2, 2001 as those abatement deductions are calculated based upon the first year true tax value.
- It also does not apply to: equipment not placed in service; special tooling; or permanently retired equipment.



Minimum Value Ratio (MVR)

- MVR is calculated by dividing Line 57 by Line 56 (Column D).
- Will always be greater than 1.
- If less than 1, you have reversed the numbers in your calculation.



Minimum Value Ratio (MVR)

- The calculation is:
- $\text{Cost} \times \text{TTV}\% \times \text{MVR}\% = \text{Adjusted True Tax Value}$
- $\text{Adjusted TTV} \times \text{Abatement \%} = \text{Abatement Deduction}$



Investment Deductions & The Form PPID-1



Investment Deduction

- Three Year Deduction (for 3/1/09)
- 75 % the First year (N/A)
- 50 % the Second year (N/A)
- 25 % the Third year (3/2/06-3/1/07)
- NOTE: 2009 is the last year that this deduction can be claimed.



Investment Deduction

Question:

What if they claimed the deduction last year & not this year?

Answer:

A taxpayer has the right to claim any deduction that he is entitled to. He can amend the return; however, an assessor does not have the authority to grant an unclaimed deduction.



Investment Deduction

Question:

What if the individual did not claim the deduction last year but claimed it this year?

Answer:

Each year stands alone, so if the taxpayer qualified for the deduction, he would be allowed to claim it for its third and final year.



Eligibility

- Personal property must meet the requirements of IC 6-1.1-12.4-3 (golf courses, suntan facility, retailers, etc. – see statutes for full listing)
- Personal property owner must claim the investment deduction on a timely filed annual or amended personal property tax return.



Limitation

- The annual limitation of the investment deduction is two million dollars (\$2,000,000) in assessed value for the assessment year for all eligible personal property and real property separately, owned within the county.



Limitation

- Other deductions may not be claimed in conjunction with the investment deduction on the same piece of equipment.
- If the investment deduction has been claimed for an assessment year, all other statutory deductions as set forth in IC 6-1.1-12.4-5 shall not be claimed on the investment.



Procedure

- A property owner must claim the personal property investment deduction by completing Form PPID-1 and attaching that schedule to a timely filed personal property tax return.
- This deduction can be used by Businesses, Farms and Utilities.



Investment Deduction and the Minimum Value Ratio (MVR)

- Taxpayers subject to 30 percent floor on their tax return should use a modified calculation for their PPID (Line 58 = Line 57)
- The MVR is applied to equipment installed by the March 1, 2002 assessment date.



Abatement Minimum Value Ratio (MVR) Continued

- The MVR is calculated by dividing Line 57 (Column D) by Line 56 (Column D)
- The MVR does not apply to equipment installed prior to March 2, 2001 as those abatement deductions are calculated based upon the first year true tax value.



Assessor Duties

- Upon receiving a Form PPID-1...
 - Identify the personal property eligible for the investment deduction.
- Changes to the deduction amount require the use of the Form 113/PP.
- The assessor will report the A/V before deduction and the deduction to the County Auditor.



Contact Us

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- Web site: www.in.gov/dlgf
 - “Contact Us”
<http://www.in.gov/dlgf/2338.htm>